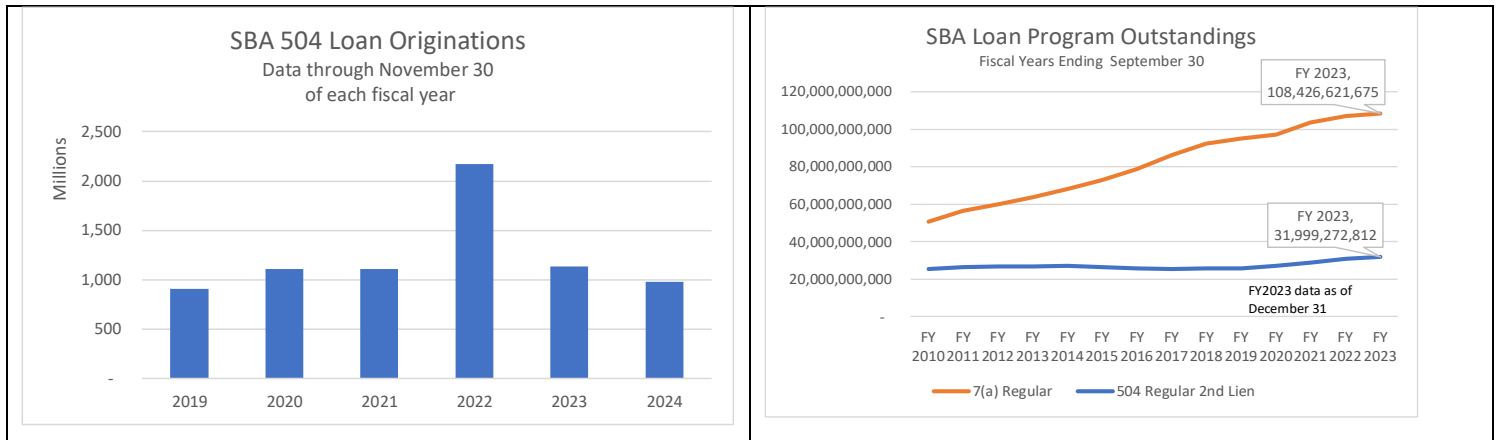
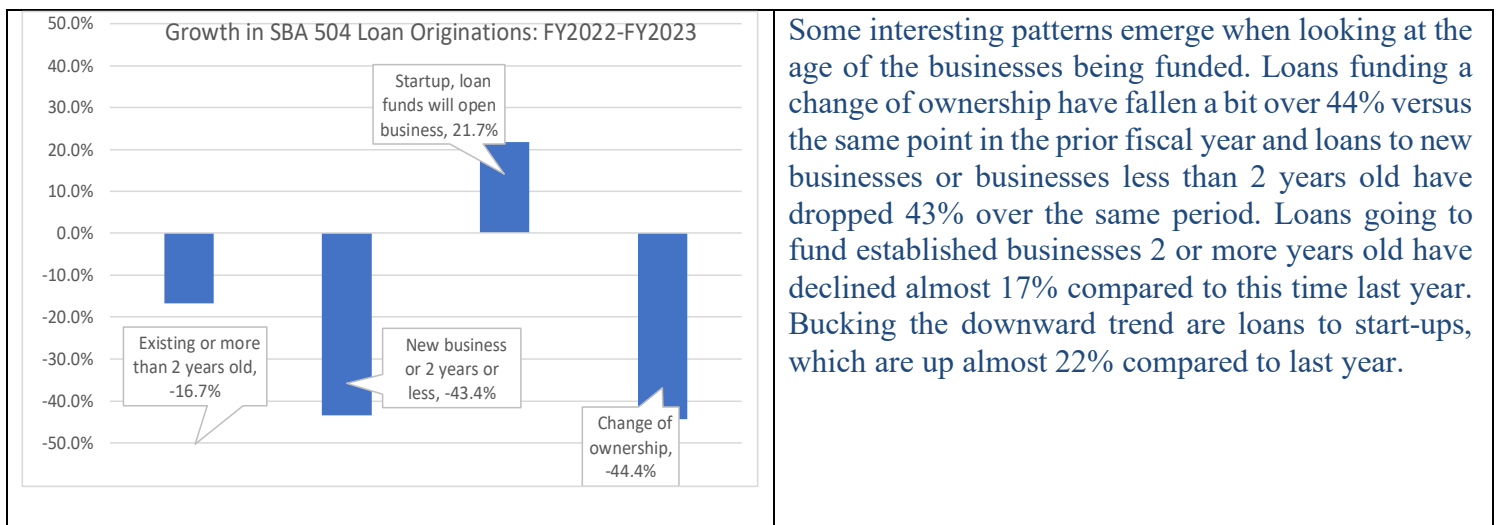


Through the end of November 2023, loan originations under the 504 loan program are down 13.6% compared to the same point in FY2023, which represents a modest deterioration from the 13.3% decline versus the prior year measured one month ago. Although year-over-year comparisons are impacted by the surge in government lending during the Covid years, the current year figures are down, even compared to pre-Covid years. Our second chart below is based on stale data, as the SBA has not published updates on program outstandings for more than a year. Principal Balance of SBA 504 loans stood at \$32.00 billion as of December 31, 2022, up 3.7% compared to the \$30.87 billion figure at year-end FY2022. SBA 7(a) loan originations are doing somewhat better than the 504 program. Through November 30, 2023, SBA 7(a) originations are down 4.7% compared to the same period in FY2023. The unpaid principal balance of 7(a) loans was \$108.43 billion at December 31, 2022, up 1.2% compared to year-end FY2022.



The 7(a) program has shown steady growth in loans outstanding in recent years that continued into FY2023 (up 1.2% year-to-date in FY2023, 3.1% in FY2022, and 6.8% in FY2021). 504 loans have shown accelerating growth, rising 3.7% year-to-date in FY2023, 6.7% to \$30.9 billion at year-end FY2022, and 6.4% in FY2021. Of course, the published 504 loan figures in the chart above include only the CDC/SBA second lien portion of a 504 loan package, If we include the private lender portion of the same loan projects, which typically accounts for roughly 50% of 504 projects, The total for SBA 504 loan outstandings (1st and 2nd liens combined) would be somewhere in the neighborhood of \$72 billion, still below 7(a) totals, but equal to approximately 67% of the 7(a) balance.



Some interesting patterns emerge when looking at the age of the businesses being funded. Loans funding a change of ownership have fallen a bit over 44% versus the same point in the prior fiscal year and loans to new businesses or businesses less than 2 years old have dropped 43% over the same period. Loans going to fund established businesses 2 or more years old have declined almost 17% compared to this time last year. Bucking the downward trend are loans to start-ups, which are up almost 22% compared to last year.

News Blurb(s) of the Month — Final CRA Regulations Provide New Opportunities for Affordable Housing and Community Development, Peter Lawrence, Novogradac.

November 29, 2023 – Recently released final Community Reinvestment Act (CRA) regulations could have a substantial impact on affordable housing, community development, historic preservation and renewable energy. For affordable housing, it will be influential beyond the low-income housing tax credit (LIHTC) world.

<https://www.novoco.com/notes-from-novogradac/final-cra-regulations-provide-new-opportunities-affordable-housing-and-community-development>

Top SBA 504 Lenders				
	FY2022 (Through Sep. 30, 2022)	Volume (\$Millions)	FY2023 (Through Sep. 30, 2023)	Volume (\$Millions)
CDCs	Mortgage Capital Development C	\$621.7	Mortgage Capital Development C	\$629.1
2nd Liens	CDC Small Business Finance Cor	\$538.9	Florida Business Development C	\$400.5
	Empire State Certified Develop	\$426.6	Florida First Capital Finance	\$336.8
	Florida Business Development C	\$418.8	Empire State Certified Develop	\$291.3
	Business Finance Capital	\$414.0	Business Finance Capital	\$283.2
	Florida First Capital Finance	\$372.8	California Statewide Certified	\$274.2
	California Statewide Certified	\$292.7	Mountain West Small Business F	\$194.4
	Mountain West Small Business F	\$292.0	Small Business Growth Corporat	\$193.8
	WBD, Inc.	\$270.1	Capital Certified Development	\$190.5
	Small Business Growth Corporat	\$259.4	CDC Small Business Finance Cor	\$166.1
	Total	\$9,195.9	Total	\$6,370.6
Banks/ TPLs	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	\$434.2	BANK FIVE NINE	\$269.0
1st liens	BANK FIVE NINE	\$261.6	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	\$250.8
	BANK OF AMERICA, NATIONAL ASSOCIATION	\$247.0	BANK OF AMERICA, NATIONAL ASSOCIATION	\$230.1
	U.S. BANK, NATIONAL ASSOCIATION	\$196.5	WELLS FARGO BANK, NATIONAL ASSOCIATION	\$164.3
	CITY NATIONAL BANK	\$195.1	CELTIC BANK CORPORATION	\$163.8
	ZIONS BANK, A DIVISION OF	\$189.6	POPPY BANK	\$143.1
	POPPY BANK	\$182.5	ZIONS BANK, A DIVISION OF	\$142.2
	WELLS FARGO BANK, NATIONAL ASSOCIATION	\$180.4	CALPRIVATE BANK	\$119.3
	FIRST CITIZENS BANK	\$117.0	U.S. BANK, NATIONAL ASSOCIATION	\$111.7
	HARVEST COMMERCIAL CAPITAL, LLC	\$113.6	HARVEST COMMERCIAL CAPITAL, LLC	\$107.0
	Total	\$12,195.3	Total	\$6,674.5

Top States for SBA 504 Loan Approvals			
	FY2022 (Through Sep. 30, 2022)		FY2023 (Through Sep. 30, 2023)
CA	\$2,223,939,000	CA	\$1,484,154,000
FL	732,352,000	FL	669,395,000
TX	489,889,000	TX	422,159,000
IL	430,463,000	IL	296,251,000
NY	394,153,000	NY	236,476,000
UT	371,026,000	UT	236,340,000
MN	326,931,000	GA	213,750,000
WI	287,098,000	AZ	177,218,000
GA	267,306,000	MA	176,264,000
AZ	257,976,000	MN	176,239,000

About Us

Equalize Capital LLC is an SEC-registered investment adviser that provides investment management services to the Equalize Community Development Fund (EQCDX) and is responsible for the management of the Fund's portfolio of investments.

Full Yields & Rates Table						
Asset Yields	Current	1-month ago	1 month change	3-months ago	1-year ago	3-years ago
1m US T-Bill (BEY)	5.54%	5.52%	0.02%	5.52%	3.75%	0.08%
3m US T-Bill (BEY)	5.44%	5.54%	-0.10%	5.55%	4.28%	0.09%
6m US T-Bill (BEY)	5.39%	5.46%	-0.07%	5.49%	4.71%	0.09%
1y US T-Bill	5.13%	5.34%	-0.21%	5.42%	4.71%	0.10%
2y US T-Note	4.71%	4.93%	-0.22%	4.98%	4.31%	0.14%
3y US T-Note	4.45%	4.65%	-0.20%	4.68%	4.04%	0.20%
5y US T-Note	4.24%	4.51%	-0.27%	4.39%	3.71%	0.39%
10y US T-Note	4.23%	4.49%	-0.26%	4.26%	3.48%	0.92%
20y US T-Bond	4.49%	4.82%	-0.33%	4.52%	3.71%	1.46%
30y US T-Bond	4.31%	4.64%	-0.33%	4.33%	3.44%	1.67%
Federal Funds	5.33%	5.33%	0.00%	5.33%	3.83%	0.09%
Fed Discount Rate	5.50%	5.50%	0.00%	5.50%	4.00%	0.25%
Prime Rate	8.50%	8.50%	0.00%	8.50%	7.00%	3.25%
TED Spread	0.19%	0.07%	0.12%	0.11%	0.36%	0.14%
Swap Rates						
2 Year Swap	4.97%	5.18%	-0.21%	5.27%	4.78%	0.27%
5 Year Swap	4.41%	4.68%	-0.27%	4.59%	3.90%	0.53%
10 Year Swap	4.32%	4.61%	-0.29%	4.40%	3.62%	1.04%
SBA 504 2nd Lien Loan Rates						
10 Yr	7.21%	6.94%	0.27%	7.06%	6.53%	2.42%
20 Yr	7.02%	7.18%	-0.16%	6.60%	6.45%	2.52%
25 Yr	7.02%	7.13%	-0.11%	6.55%	6.53%	2.55%
Average Prime Rate Offer (APOR) Rates						
10 Yr Fixed	7.04%	7.37%	-0.33%	6.79%	5.91%	2.34%
10 Yr Variable	7.24%	7.44%	-0.20%	7.27%	6.12%	3.19%
Depository Rates						
1 Mon. CD - Non Jumbo	0.23%	0.22%	0.01%	0.22%	0.10%	0.05%
3 Mon. CD - Non Jumbo	1.62%	1.42%	0.20%	1.33%	0.32%	0.07%
6 Mon. CD - Non Jumbo	1.43%	1.39%	0.04%	1.34%	0.52%	0.11%
1 Yr CD - Non Jumbo	1.85%	1.79%	0.06%	1.76%	0.90%	0.17%
2 Yr CD - Non Jumbo	1.55%	1.50%	0.05%	1.50%	0.91%	0.22%
3 Yr CD - Non Jumbo	1.39%	1.38%	0.01%	1.40%	0.90%	0.27%
Savings	0.46%	0.46%	0.00%	0.43%	0.24%	0.05%
Checking	0.07%	0.07%	0.00%	0.07%	0.04%	0.04%
Money Market - Non Jumbo	0.63%	0.65%	-0.02%	0.62%	0.29%	0.07%
Regulatory & Interbank Rates						
Secured Overnight Financing Rate (SOFR)	5.32%	5.32%	0.00%	5.31%	3.80%	0.08%
FHLB Fixed Advances (30 day, < \$15m)	5.50%	5.50%	0.00%	5.50%	4.40%	0.35%

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